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UNCLAS ANKARA 002349

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SUBJECT: Update on Van Hotel Case

REF: Ankara 952

1. (U) In February, a judge dismissed Amcit Victor Bedoian's civil case challenging the sale of his hotel in Van (reftel). The judge has since issued her reasoning in this case, which boils down to the finding that the hotel manager had written authorization from Bedoian, and was entitled to sell the property. However, Bedoian does have the right to appeal to the Yargitay (Supreme Court of Appeals). Bedoian claims that the judge ignored evidence that his signature on documents relevant to the sale had been forged. He also alleges in a letter to the Justice Ministry that the judge was bribed, or at a minimum, partial to the buyer of the hotel.

2. (U) Separately, Bedoian has filed a case with the European Court of Human Rights challenging court decisions on his residency and operating permits. The application claims that Bedoian's Armenian ethnic origin was a major reason behind the denial of the permits.

3. (SBU) Econoff recently raised the case with officials at both the Justice and Interior Ministries. In March, Aykut Kilic, Justice's Deputy Director General for International Law/Foreign Relations listened to our concerns, but deferred comment until he had the opportunity to examine the court's reasoning. Meeting in April, Amb. Ataman Yalgin, a diplomat seconded as an advisor to the Interior Minister and chief of the International Relations Department, was completely dismissive. He maintained that: this was a matter for the courts; if Bedoian had been denied a residence permit, he obviously must have failed to meet the legal qualifications for one; and Bedoian's ethnic origin had no bearing on court or executive branch decisions. When we pointed out that disputes like this one send a strong negative signal to any foreign company contemplating investment or other business in Turkey, Yalgin responded that any foreign investor who is not satisfied with conditions here is free to leave.

4. (SBU) Next Steps: We believe that the private interests involved in this alleged property swindle, combined with anti-Armenian sentiment, are likely to block any change in the current situation for the foreseeable future. However, we will continue to raise our (and Turkey's) interest in a fair and transparent resolution to this dispute, and will ask GOT interlocutors to look into the allegation of bribery in the civil case. We plan to cite the Bedoian case in this year's report on investment disputes and expropriations, as we have done for the last several years.  
Edelman